



Senate

General Assembly

February Session, 2006

File No. 347

Senate Bill No. 663

Senate, April 4, 2006

The Committee on Environment reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CREATING A CENTER FOR AGRICULTURAL FINANCE AND INNOVATION, INCORPORATED.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2006*) (a) There is hereby created a
2 body politic and corporate to be known as the "Center for Agricultural
3 Finance and Innovation, Incorporated". Such corporation is constituted
4 a public instrumentality and political subdivision of the state and the
5 exercise by the corporation of the powers conferred in this act shall be
6 deemed and held to be the performance of an essential public and
7 governmental function. The Center for Agricultural Finance and
8 Innovation, Incorporated shall not be construed to be a department,
9 institution or agency of the state.

10 (b) The corporation shall be governed by a board of fifteen directors.
11 Eight members shall be appointed by the Governor, at least six of
12 whom shall be knowledgeable and have favorable reputations for skill,
13 knowledge and experience, in agriculture, agricultural business or
14 agricultural finance. The Commissioner of Agriculture shall be a

15 member and shall have all of the powers and privileges of a member of
16 the board of directors. The Commissioner of Agriculture may
17 designate his or her deputy or any member of his or her staff to
18 represent him or her at meetings of the corporation with full power to
19 act and vote on his or her behalf. Six members shall be appointed as
20 follows: Two by the president pro tempore of the Senate, one by the
21 minority leader of the Senate, two by the speaker of the House of
22 Representatives and one by the minority leader of the House of
23 Representatives. Each member appointed by the Governor shall serve
24 at the pleasure of the Governor but no longer than the term of office of
25 the Governor or until the member's successor is appointed and
26 qualified, whichever is longer. Each member appointed by a member
27 of the General Assembly shall serve in accordance with the provisions
28 of section 4-1a of the general statutes. A director shall be eligible for
29 reappointment. The Governor shall fill any vacancy for the unexpired
30 term of a member appointed by the Governor. The appropriate
31 legislative appointing authority shall fill any vacancy for the unexpired
32 term of a member appointed by such authority.

33 (c) The chairperson of the board shall be appointed by the
34 Governor, with the advice and consent of both houses of the General
35 Assembly. The directors shall annually elect one of their number as
36 secretary. The board may elect such other officers of the board as it
37 deems proper. Members shall receive no compensation for the
38 performance of their duties but shall be reimbursed for necessary
39 expenses incurred in the performance thereof.

40 (d) Each director of the corporation before entering upon his duties
41 shall take and subscribe the oath or affirmation required by article
42 eleventh, section 1, of the State Constitution. A record of each such
43 oath or affirmation shall be filed in the office of the Secretary of the
44 State. The board of directors of the corporation shall adopt written
45 procedures, in accordance with the provisions of section 1-121 of the
46 general statutes, for: (1) Adopting an annual budget and plan of
47 operations, including a requirement of board approval before the
48 budget or plan may take effect; (2) hiring, dismissing, promoting and

49 compensating employees of the corporation, including an affirmative
50 action policy and a requirement of board approval before a position
51 may be created or a vacancy filled; (3) purchasing, leasing or acquiring
52 real and personal property and personal services, including a
53 requirement of board approval for any nonbudgeted expenditure in
54 excess of five thousand dollars; (4) contracting for financial, legal, bond
55 underwriting and other professional services, including a requirement
56 that the corporation solicit proposals at least once every three years for
57 each such service which it uses; (5) awarding loans, grants and other
58 financial assistance, including eligibility criteria, the application
59 process and the role played by the corporation's staff and board of
60 directors; and (6) the use of surplus funds to the extent authorized
61 under the provisions of the general statutes.

62 (e) The corporation shall have the authority to contract with the
63 Department of Agriculture for administrative or other services.

64 Sec. 2. (NEW) (*Effective July 1, 2006*) The Center for Agricultural
65 Finance and Innovation, Incorporated shall have perpetual succession
66 and shall adopt, amend and repeal bylaws for the conduct of its affairs.
67 Such succession shall continue until the existence of the corporation is
68 terminated by law, provided no such termination shall affect any
69 outstanding contractual obligation of the corporation to assist any
70 person and the state shall succeed to the obligations of the corporation
71 under such contract. Upon termination of the corporation, its rights
72 and properties shall pass to and be vested in the state.

73 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) The powers of the Center for
74 Agricultural Finance and Innovation, Incorporated shall be vested in
75 and exercised by the board of directors. Eight members of the board
76 shall constitute a quorum and the affirmative vote of a majority of the
77 members present at a meeting of the board shall be necessary and
78 sufficient for any action taken by the board. No vacancy in the
79 membership of the board shall impair the right of a quorum to exercise
80 all the rights and perform all the duties of the board. Any action taken
81 by the board may be authorized by resolution at any regular or special

82 meeting and shall take effect immediately unless otherwise provided
83 in the resolution. Notice of any regular meeting shall be given in
84 writing, by telephone or orally, not less than forty-eight hours prior to
85 the meeting. Notice of any special meeting shall be given in accordance
86 with subsection (d) of section 1-225 of the general statutes.

87 (b) The board may delegate to three or more of its members such
88 board powers and duties as it may deem proper. At least one of such
89 members shall not be a state employee. The board shall establish such
90 committees, subcommittees or other entities as it deems necessary to
91 further the purposes of the corporation including, but not limited to, a
92 finance committee and one or more technical peer review committees.

93 Sec. 4. (NEW) (*Effective July 1, 2006*) The board shall appoint an
94 executive director of the Center for Agricultural Finance and
95 Innovation, Incorporated who shall not be a member of the board and
96 who shall serve at the pleasure of the board and shall receive such
97 compensation as shall be determined by the board. The executive
98 director shall direct and supervise administrative affairs and the
99 general management of the corporation. The executive director may
100 employ such other employees as shall be designated by the board of
101 directors; shall attend all meetings of the board and shall keep a record
102 of all proceedings and maintain and be custodian of all books,
103 documents and papers filed with the corporation and of the minute
104 book of the corporation and of its official seal. The executive director
105 may cause copies to be made of all minutes and other records and
106 documents of the corporation and may give certificates under the
107 official seal of the corporation to the effect that such copies are true
108 copies, and all persons dealing with the corporation may rely upon
109 such certificates. The executive director or the executive director's
110 designee may serve as a member of such other boards or committees
111 as may be necessary or desirable to carry out the purposes of the
112 corporation.

113 Sec. 5. (NEW) (*Effective July 1, 2006*) The purposes of the Center for
114 Agricultural Finance and Innovation, Incorporated shall be to provide

115 financing for agricultural business development to encourage
116 agricultural business growth and innovation, to encourage the creation
117 and transfer of new agricultural technologies, to assist existing
118 agricultural businesses in adopting current and innovative
119 technological processes, to stimulate and provide services to
120 agricultural industry that will advance the adoption and utilization of
121 agricultural technology, to achieve improvements in the quality of
122 agricultural products and services, to stimulate and encourage the
123 development and operation of new and existing agricultural business
124 incubator facilities and to promote agricultural science and other
125 disciplines that are essential to the development and application of
126 agricultural technology within Connecticut by the infusion of financial
127 aid for research, invention and innovation in situations in which such
128 financial aid would not otherwise be reasonably available from
129 commercial or other sources, and for these purposes the corporation
130 shall have the following powers:

131 (1) To have perpetual succession as a body corporate and to adopt
132 bylaws, policies and procedures for the regulation of its affairs and
133 conduct of its businesses as provided in section 32-36 of the general
134 statutes;

135 (2) To enter into venture agreements with persons, upon such terms
136 and on such conditions as are consistent with the purposes of this act,
137 for the advancement of financial aid to such persons for the research,
138 development and application of specific technologies, products,
139 procedures, services and techniques, to be developed and produced in
140 this state, and to condition such agreements upon contractual
141 assurances that the benefits of increasing or maintaining employment
142 and tax revenues shall remain in this state and shall accrue to it;

143 (3) To solicit, receive and accept aid, grants or contributions from
144 any source of money, property or labor or other things of value, to be
145 held, used and applied to carry out the purposes of chapter of this act,
146 subject to the conditions upon which such grants and contributions
147 may be made, including, but not limited to, gifts or grants from any

148 department or agency of the United States or the state;

149 (4) To invest in, acquire, lease, purchase, own, manage, hold and
150 dispose of real property and lease, convey or deal in or enter into
151 agreements with respect to such property on any terms necessary or
152 incidental to the carrying out of these purposes; provided all such
153 acquisitions of real property for the corporation's own use with
154 amounts appropriated by the state to the corporation or with the
155 proceeds of bonds supported by the full faith and credit of the state
156 shall be subject to the approval of the Secretary of the Office of Policy
157 and Management and the provisions of section 4b-23 of the 2006
158 supplement to the general statutes;

159 (5) To borrow money or to guarantee a return to the investors in or
160 lenders to any capital initiative, to the extent permitted under this act;

161 (6) To hold patents, copyrights, trademarks, marketing rights,
162 licenses, or any other evidences of protection or exclusivity as to any
163 products as defined herein, issued under the laws of the United States
164 or any state or any nation;

165 (7) To employ such assistants, agents and other employees as may
166 be necessary or desirable, which employees shall be exempt from the
167 classified service and shall not be employees, as defined in subsection
168 (b) of section 5-270 of the 2006 supplement to the general statutes;
169 establish all necessary or appropriate personnel practices and policies,
170 including those relating to hiring, promotion, compensation,
171 retirement and collective bargaining, which need not be in accordance
172 with chapter 68, and the corporation shall not be an employer as
173 defined in subsection (a) of section 5-270 of the 2006 supplement to the
174 general statutes; and engage consultants, attorneys and appraisers as
175 may be necessary or desirable to carry out its purposes in accordance
176 with this chapter;

177 (8) To make and enter into all contracts and agreements necessary or
178 incidental to the performance of its duties and the execution of its
179 powers under this act;

180 (9) To sue and be sued, plead and be impleaded, adopt a seal and
181 alter the same at pleasure;

182 (10) With the approval of the State Treasurer, to invest any funds
183 not needed for immediate use or disbursement, including any funds
184 held in reserve, in obligations issued or guaranteed by the United
185 States of America or the state of Connecticut and in other obligations
186 which are legal investments for retirement funds in this state;

187 (11) To procure insurance against any loss in connection with its
188 property and other assets in such amounts and from such insurers as it
189 deems desirable;

190 (12) To the extent permitted under its contract with other persons, to
191 consent to any termination, modification, forgiveness or other change
192 of any term of any contractual right, payment, royalty, contract or
193 agreement of any kind to which the corporation is a party;

194 (13) To acquire, lease, purchase, own, manage, hold and dispose of
195 personal property, and lease, convey or deal in or enter into
196 agreements with respect to such property on any terms necessary or
197 incidental to the carrying out of these purposes;

198 (14) In connection with any application for assistance under this
199 chapter, or commitments therefor, to make and collect such fees as the
200 corporation shall determine to be reasonable;

201 (15) To enter into venture agreements with persons, upon such
202 terms and conditions as are consistent with the purposes of this
203 chapter to provide financial aid to such persons for the marketing of
204 new and innovative agricultural products and services based on the
205 use of a specific technology, product, device, technique, service or
206 process;

207 (16) To enter into limited partnerships or other contractual
208 arrangements with private and public sector entities as the corporation
209 deems necessary to provide financial aid which shall be used to make
210 investments of seed venture capital in agricultural companies based in

211 or relocating to the state in a manner which shall foster additional
212 capital investment, the establishment of new agricultural businesses,
213 the creation of new agricultural jobs and additional commercially-
214 oriented research and development activity. The repayment of such
215 financial aid shall be structured in such manner as the corporation
216 deems will best encourage private sector participation in such limited
217 partnerships or other arrangements. The board of directors, executive
218 director, officers and staff of the corporation may serve as members of
219 any advisory or other board which may be established to carry out the
220 purposes of this subdivision;

221 (17) To account for and audit funds of the corporation and funds of
222 any recipients of financial aid from the corporation;

223 (18) To advise the Governor, the General Assembly, and the
224 Commissioner of Agriculture on matters relating to agriculture and
225 agricultural technology which may have an impact on state policies,
226 programs, employers and residents, and on job creation and retention;

227 (19) To promote agriculture-based development in the state;

228 (20) To encourage and promote the establishment of and, within
229 available resources, to provide financial aid to advance agricultural
230 businesses;

231 (21) To maintain an inventory of data and information concerning
232 state and federal programs which are related to the purposes of this act
233 and to serve as a clearinghouse and referral service for such data and
234 information;

235 (22) To conduct and encourage research and studies relating to
236 agricultural development;

237 (23) To encourage and provide technical assistance and, within
238 available resources, to provide financial aid to existing agricultural
239 businesses in the process of adopting innovative technology and new
240 state-of-the-art processes and techniques;

241 (24) To recommend state goals for agricultural development and to
242 establish policies and strategies for developing and assisting
243 agriculture-based companies;

244 (25) To promote and encourage and, within available resources, to
245 provide financial aid for the establishment, maintenance and operation
246 of agriculture related incubator facilities;

247 (26) To promote and encourage the coordination of public and
248 private resources and activities within the state in order to assist
249 agriculture-based entrepreneurs and business enterprises;

250 (27) To provide services to agricultural industry that will stimulate
251 and advance the adoption and utilization of technology and achieve
252 improvements in the quality of products and services;

253 (28) To promote agricultural science and other agriculture related
254 disciplines that are essential to the development and application of
255 agricultural technology;

256 (29) To do all acts and things necessary and convenient to carry out
257 the purposes of this section;

258 (30) To accept from the Department of Agriculture: (A) Financial
259 assistance, (B) revenues or the right to receive revenues with respect to
260 any program under the supervision of the department, and (C) loan
261 assets or equity interests in connection with any program under the
262 supervision of the department; to make advances to and reimburse the
263 department for any expenses incurred or to be incurred by it in the
264 delivery of such assistance, revenues, rights, assets, or interests; to
265 enter into agreements for the delivery of services by the corporation, in
266 consultation with the department, to third parties which agreements
267 may include provisions for payment by the department to the
268 corporation for the delivery of such services; and to enter into
269 agreements with the department for the sharing of assistants, agents
270 and other consultants, professionals and employees, and facilities and
271 other real and personal property used in the conduct of the

272 corporation's affairs;

273 (31) To transfer to the Department of Agriculture: (A) Financial
274 assistance, (B) revenues or the right to receive revenues with respect to
275 any program under the supervision of the corporation, and (C) loan
276 assets or equity interests in connection with any program under the
277 supervision of the corporation, provided the transfer of such financial
278 assistance, revenues, rights, assets or interests is determined by the
279 corporation to be practicable, within the constraints and not
280 inconsistent with the fiduciary obligations of the corporation imposed
281 upon or established upon the corporation by any provision of the
282 general statutes, the corporation's bond resolutions or any other
283 agreement or contract of the corporation and to have no adverse effect
284 on the tax-exempt status of any bonds of the state;

285 (32) With respect to any capital initiative, to create, with one or more
286 persons, one or more affiliates and to provide, directly or indirectly, for
287 the contribution of capital to any such affiliate, each such affiliate being
288 expressly authorized to exercise on such affiliate's own behalf all
289 powers which the corporation may exercise under this section, in
290 addition to such other powers provided to it by law;

291 (33) To provide financial aid to enable agricultural technology
292 companies to lease, acquire, construct, maintain, repair, replace or
293 otherwise obtain and maintain production, testing, research,
294 development, manufacturing, laboratory and related and other
295 facilities, improvements and equipment; and

296 (34) To provide financial aid to persons developing agricultural
297 business incubator facilities.

298 Sec. 6. Subsection (l) of section 1-79 of the 2006 supplement to the
299 general statutes is repealed and the following is substituted in lieu
300 thereof (*Effective July 1, 2006*):

301 (l) "Quasi-public agency" means the Center for Agricultural Finance
302 and Innovation, Incorporated, the Connecticut Development

303 Authority, Connecticut Innovations, Incorporated, Connecticut Health
304 and Education Facilities Authority, Connecticut Higher Education
305 Supplemental Loan Authority, Connecticut Housing Finance
306 Authority, Connecticut Housing Authority, Connecticut Resources
307 Recovery Authority, Connecticut Hazardous Waste Management
308 Service, Lower Fairfield County Convention Center Authority, Capital
309 City Economic Development Authority and Connecticut Lottery
310 Corporation.

311 Sec. 7. Section 1-120 of the general statutes is repealed and the
312 following is substituted in lieu thereof (*Effective July 1, 2006*):

313 As used in sections 1-120 to 1-123, inclusive:

314 (1) "Quasi-public agency" means the Center for Agricultural Finance
315 and Innovation, Incorporated, the Connecticut Development
316 Authority, Connecticut Innovations, Incorporated, Connecticut Health
317 and Educational Facilities Authority, Connecticut Higher Education
318 Supplemental Loan Authority, Connecticut Housing Finance
319 Authority, Connecticut Housing Authority, Connecticut Resources
320 Recovery Authority, Connecticut Hazardous Waste Management
321 Service, Capital City Economic Development Authority and
322 Connecticut Lottery Corporation.

323 (2) "Procedure" means each statement, by a quasi-public agency, of
324 general applicability, without regard to its designation, that
325 implements, interprets or prescribes law or policy, or describes the
326 organization or procedure of any such agency. The term includes the
327 amendment or repeal of a prior regulation, but does not include,
328 unless otherwise provided by any provision of the general statutes, (A)
329 statements concerning only the internal management of any agency
330 and not affecting procedures available to the public and (B) intra-
331 agency memoranda.

332 (3) "Proposed procedure" means a proposal by a quasi-public
333 agency under the provisions of section 1-121 for a new procedure or
334 for a change in, addition to or repeal of an existing procedure.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006</i>	New section
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>July 1, 2006</i>	New section
Sec. 5	<i>July 1, 2006</i>	New section
Sec. 6	<i>July 1, 2006</i>	1-79(l)
Sec. 7	<i>July 1, 2006</i>	1-120

ENV *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Department of Agriculture	Various - See Below	See Below	See Below

Municipal Impact: None

Explanation

The fiscal impact of the bill cannot be determined at this time because no direct funding mechanism (such as an appropriation or a bond authorization) is provided for the new quasi-public agency, the Center for Agricultural Finance and Innovation, Incorporated created in the bill. Any future fiscal impact will be contingent upon whatever funding is provided to the new quasi-public from the sources outlined in the bill. Any cost to the Department of Agriculture (DOA) for administrative or other services to be provided will depend upon the provisions of any agreement between the department and the quasi-public. The DOA currently has no additional funds available for this purpose.

The Out Years

Any out year costs are indeterminate at this time.

OLR Bill Analysis**SB 663*****AN ACT CREATING A CENTER FOR AGRICULTURAL FINANCE AND INNOVATION, INCORPORATED.*****SUMMARY:**

This bill establishes a new quasi-public agency, the Center for Agricultural Finance and Innovation, Inc. (CAFI). The bill details CAFI's purposes, duties, and powers to provide financing for agricultural business development, growth, and innovation.

The bill establishes a board of directors, which controls CAFI. The board must appoint an executive director, who is not a member of the board, to handle the CAFI's administrative affairs and general management.

The bill stipulates that CAFI exists continuously until it is terminated by law; has perpetual succession; and must adopt, amend, and repeal bylaws for conducting its affairs.

The bill also makes conforming changes.

EFFECTIVE DATE: July 1, 2006

§5 - PURPOSES

CAFI's purpose is to provide financing to:

1. encourage agricultural business growth and innovation;
2. encourage the creation and transfer of new agricultural technologies;
3. assist existing agricultural businesses in adopting current and

innovative technological processes;

4. stimulate and provide services to agricultural industry that will advance the adoption and utilization of agricultural technology;
5. improve in the quality of agricultural products and services;
6. stimulate and encourage the development and operation of new and existing agricultural business incubator facilities; and
7. promote agricultural science and other disciplines that are essential to the development and application of agricultural technology within Connecticut by providing financial aid for research, invention, and innovation in situations in which such financial aid would not otherwise be reasonably available from other sources.

§§ 1-4 - CAFI BOARD

A 15-member board of directors governs CAFI. The governor appoints eight members, at least six of whom must be knowledgeable and have favorable reputations for skill, knowledge, and experience, in agriculture, agricultural business, or agricultural finance.

The agriculture commissioner is a member and has all of the powers and privileges of board members. He may designate a deputy or any member of his staff to represent him at CAFI meetings. The designee has full power to act and vote on his behalf.

Six other members are appointed as follows: two by the Senate president pro tempore, one by the Senate minority leader, two by House speaker, and one by the House minority leader.

Each member who the governor appoints serves at her pleasure, and coterminous with her, or until the member's successor is appointed and qualified, whichever is longer. Each member appointed by a legislator serves at the legislator's pleasure, and coterminous with him, or until the member's successor is appointed and qualified, which ever is longer.

Board members are eligible for reappointment. The governor must fill any vacancy for the unexpired term of a member she appointed. The appropriate legislative appointing authorities must fill any vacancy for the unexpired term of a member they appointed.

§ 1 - Chairperson

The governor appoints the board's chairperson, with the advice and consent of both houses of the General Assembly. The board members must annually elect one of the board members as secretary. The board may elect other officers as it deems proper. Members receive no compensation for performing their duties, but are reimbursed for necessary expenses.

Each board member must take and subscribe the oath of affirmation required by the state Constitution before entering into his duties. A record of each such oath or affirmation must be filed in the Secretary of State's Office. The board of directors of the corporation must adopt written procedures for (1) adopting an annual budget and plan of operations, including a requirement of board approval before the budget or plan may take effect; (2) hiring, dismissing, promoting and compensating employees of the corporation; and (3) various other aspects involved in running CAFI.

CAFI has the authority to contract with the Agriculture Department for administrative or other services.

§ 3 - Board Members, Quorum, and Structure

CAFI powers are vested in and exercised by the board of directors. Eight board members constitute a quorum and the affirmative vote of a majority of the members present at a board meeting is necessary and sufficient for any board action. No vacancy in board membership can impair the right of a quorum to exercise all the rights and perform all the board's duties. Any action the board takes may be authorized by resolution at any regular or special meeting and takes effect immediately, unless otherwise provided in the resolution. Notice of any regular meeting must be given in writing, by telephone, or orally,

at least 48 hours before to the meeting. Notice of any special meeting must be given in accordance with the law.

The board may establish committees, subcommittees, or other entities necessary to further CAFI's purposes including a finance committee and one or more technical peer review committees. The board may delegate powers and duties to three or more of its members. At least one of these members must not be a state employee.

§ 4 - Executive Director

The board must appoint a CAFI executive director who must direct and supervise its administrative affairs and general management. The director cannot be a board member and serves at the board's pleasure.

The executive director:

1. receives compensation as the board determines;
2. can employ others as the board designates;
3. must attend all board meetings and (a) keep a record of all CAFI proceedings and (b) maintain and be custodian of all books, documents, papers filed, minutes, and official seal;
4. can make copies of all minutes and other records and documents of the corporation and may give certificates under CAFI's official seal that the copies are true, and all people dealing with the corporation may rely upon such certificates; and
5. can serve, or have his designee serve, as a member other boards or committees as may be necessary or desirable to carry out CAFI's purposes.

§ 5 - CAFI POWERS

To carry out its purposes, the bill gives CAFI's board the power to undertake the things necessary to achieve its goals.

Organizational and Administrative

CAFI can:

1. adopt bylaws, policies, and procedures to regulate its affairs and conduct its businesses by law, and to have perpetual succession as a body corporate;
2. have employees who are exempt from the classified service and are not to be considered state union employees; establish all necessary or appropriate personnel practices and policies, which need not be in accordance with state employee collective bargaining laws, and engage consultants, attorneys and appraisers as may be necessary or desirable to carry out its purposes in accordance with this chapter;
3. make and collect fees as the corporation determines are reasonable, in connection with any application for assistance or commitments it has;
4. account for and audit funds of the corporation and funds of any recipients of financial aid from the corporation; and
5. advise the governor, the General Assembly, and the agriculture commissioner on matters relating to agriculture and agricultural technology that may have an impact on state policies, programs, employers and residents, and on job creation and retention;

Financing

CAFI can:

1. enter into venture agreements with people to provide (a) them with financial aid to research, develop, and apply specific technologies, products, procedures, services and techniques, to be developed and produced in this state, and to ensure contractually that the benefits of increasing or maintaining employment and tax revenues must remain in this state and accrue to it (b) financial aid for the marketing of new and innovative agricultural products and services based on the use of

- a specific technology, product, device, technique, service or process;
2. obtain aid, grants or contributions from any money source, property, or labor or other things of value, to be used to benefit agricultural business development, and its growth and innovation, subject to the conditions upon which such grants and contributions may be made;
 3. borrow money or to guarantee a return to the investors in or lenders to any capital initiative, to the extent permitted under this bill;
 4. invest, with the approval of the state treasurer, any funds not needed for immediate use or disbursement;
 5. enter into limited partnerships or other contractual arrangements with private and public sector entities to provide financial aid to make investments of seed venture capital in agricultural companies based in or relocating to the state to foster additional capital investment, the establishment of new agricultural businesses, the creation of new agricultural jobs and additional commercially-oriented research and development activity;
 6. encourage and promote the establishment of and, within available resources, to provide financial aid to advance agricultural businesses; and
 7. with respect to any capital initiative, create and provide funding to the affiliates, which are authorized to exercise on its behalf all powers that the corporation may exercise under the bill's provisions;

Legal

CAFI can:

1. obtain an interest in property and acquire, lease, purchase, own,

manage, hold and dispose of personal property, and lease, convey or deal in or enter into agreements with respect to the property on any terms necessary or incidental to carry out these actions;

2. hold evidences of protection or exclusivity as to any products issued under the federal, state, or other nation's laws;
3. make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers and consent to any termination, modification, forgiveness or other change of any contractual right
4. sue and be sued, plead and be impleaded (i.e., to sue or prosecute at law) and to adopt a seal and alter the same at its pleasure; and
5. obtain insurance against any loss of property and other assets in amounts and from insurers it deems desirable;

Service and Research

CAFI can:

1. maintain an inventory of data and information concerning state and federal programs that are related to expanding and supporting agriculture and to serve as a clearinghouse and referral service for the data and information;
2. conduct and encourage research and studies relating to agricultural development, agricultural science, and related disciplines;
3. encourage and provide technical to existing agricultural businesses in the process of adopting innovative technology and new state-of-the-art processes and techniques; and
4. recommend state goals for agricultural development and to establish policies and strategies for developing and assisting

agriculture-based companies;

Agriculture Department

CAFI can:

1. accept, from or transfer to, the Agriculture Department: (a) financial assistance, (b) revenues or the right to receive revenues with respect to any program under the supervision of the department, and (c) loan assets or equity interests in connection with any program under the supervision of the department and to make advances to and reimburse the department for any expenses incurred or to be incurred by it in the delivery of the same; to enter into agreements for the delivery of services by CAFI, in consultation with the department, to third parties;
2. enter into agreements with the department to share assistants, agents and other consultants, professionals and employees, and facilities and other real and personal property used in the conduct of the corporation's affairs; and
3. transfer to the department: loan assets or equity interests in connection with any program under the supervision of the corporation, provided the transfer is determined by the corporation to be practicable, within the constraints and not inconsistent with the statutory fiduciary obligations of the corporation, the corporation's bond resolutions or any other agreement or contract of the corporation and to have no adverse effect on the tax-exempt status of any state bonds;

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 27 Nay 0 (03/20/2006)